

Appendix One

MHFA Improvement/Rehab Standards

Rehabilitation Inspection

GUIDE

A Step-By-Step Guide to
Rehabilitation Inspection



MINNESOTA HOUSING FINANCE AGENCY

*** Improvement/Rehab Standards**

A. General Eligibility Requirements

All improvements must be permanent, general improvements which:

- have not been started prior to the Loan closing.
- are made in compliance with all applicable health, fire prevention, building and housing codes and standards; provided, however, that no application for a Loan shall be denied solely because the improvements will not bring such property into full compliance with all such codes and standards.
- consist of additions, alterations, renovations, or repairs.
- are on or in connection with an existing structure.
- correct a defect or deficiency in the property affecting directly the safety, habitability, accessibility, or energy consumption of the property.
- do NOT include materials, fixtures, or landscaping of a type or quality exceeding that customarily used in the locality for properties of the same general type as the property to be improved.

B. Specific Eligibility Requirements

Improvements financed by this program shall specifically meet the following Performance Requirements. In addition, the housing shall meet the Acceptability Criteria set forth in this section.

1. **Sanitary facilities** - Performance requirement. The dwelling unit shall include its own sanitary facilities which are in proper operating condition, can be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.

Work on individual water supply and sewage disposal systems is allowed in order to bring such systems into compliance with local, state, or federal environmental and sanitary standards.

Additions may be allowed in cases of inadequate or inaccessible indoor bathroom facilities, only if no other space in the structure is appropriate for such facilities. Include a detailed floor plan of the existing structure and the proposed addition.

- **Acceptability Criteria.** A flush toilet in a separate, private room, a fixed basin with hot and cold running water, and a shower or tub with hot and cold running water shall be present in the dwelling unit, all in proper operating condition. These facilities shall utilize an approved public or private disposal system.

2. **Food preparation and refuse disposal** - Performance requirement. The dwelling unit shall contain suitable space and equipment to store, prepare, and serve foods in a sanitary manner. There shall be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g. garbage cans).

Kitchen additions may be allowed only in the cases where the current kitchen facilities are an extreme health or safety hazard. Pictures of the current kitchen as well as a floor plan of the entire structure must be included in the Loan Submission Package. A floor plan of the proposed addition must also be submitted.

- **Acceptability Criteria.** The unit shall contain the following equipment in proper operating condition: cooking stove or range and a refrigerator of appropriate size for the unit (supplied by the Owner) and a kitchen sink with hot and cold running water. The sink shall drain into an approved public or private system. Adequate space for storage, preparation and serving of food shall be provided.

3. **Space and security** - Performance Requirement. The dwelling unit shall afford the Family adequate space and security.

- **Acceptability Criteria.** The dwelling unit shall contain a living room, kitchen area, and a bathroom. The dwelling unit shall contain at least one bedroom or living/sleeping room of appropriate size for each two persons. Persons of the opposite sex, other than husband or wife or very young children, shall not be required to occupy the same bedroom or living/sleeping room. Exterior doors and windows accessible from outside the unit shall be lockable.

If an addition is proposed, include a detailed floor plan of the existing structure and the proposed addition.

4. **Thermal environment** - Performance Requirement. The dwelling unit shall have and be capable of maintaining a thermal environment healthy for the human body.

Energy saving features shall be consistent with the energy standards promulgated as part of the State Building Code, but such improvements need not bring the property into compliance with such energy standards. MHFA recommends that whenever possible HOME Rehabilitation Loan Program funds should be coordinated with other energy saving programs.

- **Acceptability criteria.** The dwelling unit shall contain safe heating and/or cooling facilities which are in proper operating condition and can provide adequate heat and/or cooling to each room in the dwelling unit appropriate

for the climate to assure a healthy living environment. Unvented room heaters which burn gas, oil, or kerosene are unacceptable. Installation of cooling facilities is allowed only when necessitated for medical reasons. A written certificate from a physician indicating the need for air conditioning must be included with the Loan Submission Package.

5. **Illumination and electricity** - Performance requirement. Each room shall have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Sufficient electrical sources shall be provided to permit the use of essential electrical appliances while assuring safety from fire.

MHFA recommends that ground fault interrupters be installed in all bathrooms, in outlets that are within six feet of kitchen sinks, or laundry and in outside outlets of dwellings being improved with Loan funds, unless: (1) ground fault interrupters are already in place, (2) or priority must be given to other needed improvements as evidenced by the Inspection Report.

- **Acceptability criteria.** Living and sleeping rooms shall include at least one window. A ceiling or wall type light fixture shall be present and working in the bathroom and kitchen area. At least two electrical outlets one of which may be an overhead light, shall be present and operable in the living area, kitchen area, and each bedroom area.

6. **Structure and materials** - Performance requirement. The dwelling unit shall be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the occupants from the environment.

Work on detached garages is allowed only if the existing condition presents a clear and imminent safety hazard or is necessary for lead paint abatement. Demolition of outbuildings is allowed (1) when clearance is required for the local building code. Evidence of code violation must accompany the Loan Submission Package. (2) As necessary for lead paint abatement.

Exterior finishing requested solely for cosmetic purposes will not be approved.

- **Acceptability criteria.** Ceilings, walls, and floors shall not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts or other serious damage. The roof structure shall be firm and the roof shall be weathertight. The exterior wall structure and exterior wall surface shall not have any serious defects such as serious leaning, buckling, sagging, cracks or holes, loose siding, or other serious damage. The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc., shall be such as not to present a danger of tripping or falling.

7. **Interior air quality** - Performance requirement. The dwelling unit shall be free of pollutants in the air at levels which threaten the health of the occupants.

- **Acceptability criteria.** The dwelling unit shall be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful air pollutants. Air circulation shall be adequate throughout the unit. Bathroom areas shall have at least one openable window or other adequate exhaust ventilation.

8. **Water supply** - Performance requirement. The water supply shall be free from contamination. Water drawn from a valid well must be potable (safe for drinking) and must be free from sand, grit, or other materials which might damage the pump or plumbing. Water need not be free from minerals which may make it cloudy, nor must it be free from odor.

Well drilling is allowed provided the cost of the well drilling (excluding dry holes and pump installation) does not exceed \$5,000 and that a written statement accompanies the application indicating that funds will be available through another specified source of financing for any costs in excess of \$5,000. Up to \$150 may be paid for dry holes.

- **Acceptability criteria.** The unit shall be served by an approved public or private sanitary water supply.

9. **Lead Paint** - Performance requirement. 1) In houses built prior to 1978 all defective paint surfaces must be repaired. 2) When a resident has been identified by the local Health Department as having elevated blood lead level (EBL) all lead-based paint in the residence must be abated.

Federal regulations pertaining to housing constructed or rehabilitated with federal funds, and Minnesota Statutes both stipulate that when medical testing laboratories encounter EBL in children under seven years old, the testing agency is required to report this condition to the local health department; whereupon the child's environment (home, school, day-care, etc.) must be tested for the presence of lead in dust, soil, water, and paint.

When lead above certain limits is in the living environment of a child under seven years old having an EBL, or a pregnant woman, both federal and state regulations explicitly stipulate how and by whom the lead hazard is abated. Minnesota laws stipulate that lead-based paint abatement must be performed by contractors registered by the State of Minnesota for the purpose of lead abatement. A list of registered contractors may be obtained from the Department of Health by calling (612) 627-5018 or (612) 627-5017.

- 1) Where an EBL has been diagnosed and documented for a resident of a housing unit whose owner is applying for HOME funds, MHFA requires

strict compliance with these federal and state lead abatement regulations.

- 2) Where no EBL has been diagnosed or documented, and applicants know or suspect that the property may be lead contaminated, the applicant may abate the known or suspected lead contamination without prior testing. State statutes stipulate that known lead hazards must be abated in accordance with these federal and state regulations.

In order to protect the occupants from suspected lead hazards, and to protect the contractor from potential liability incurred by faulty methods, MHFA strongly recommends that owners abatement of suspected lead hazards be performed in strict accordance with federal and state regulations.

Improper abatement of suspected lead hazards may actually increase both the amount of ingestible lead particles and the health risk in residential environment.

Additional information and assistance in interpreting federal and state lead abatement regulations is available from the local health department, the Minnesota Department of Health, the local HUD program administrator, and registered abatement contractors.

When abatement is necessary it may be accomplished by:

- 1) removal with the Substrate and replaces with new substrate; or
- 2) removal from the substrate by:
 - a) misted scraping or misted wire brushing;
 - b) stripping with chemical paint strippers whether on-site or off-site with removal of chemical strippers from surfaces and direct placement into leak-proof containers;
 - c) heating with a heat gun that does not exceed 700 degrees Fahrenheit;
 - d) exterior abrasive blasting;
 - e) exterior waterblasting or interior waterblasting only in masonry or stone basement;
 - f) exterior modified-wet abrasive blasting; or
 - g) vacuum blasting.

All testing and abatement shall be performed according to the standards set

forth in Minnesota Statutes 4761.0500 Department of Health Residential Lead Abatement.

10. **Access** - Performance requirement. The dwelling unit shall be usable and capable of being maintained without unauthorized use of other private properties, and the building shall provide and alternate means of egress in case of fire.
 - **Acceptability criteria.** The dwelling unit shall be usable and capable of being maintained without unauthorized use of other private properties, and the building shall provide and alternate means of egress in case of fire (such as fire stairs or egress through windows).
11. **Site and neighborhood** - Performance requirement. The site and neighborhood shall be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the occupants.
 - **Acceptability criteria.** The site and neighborhood shall not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks, steps, instability, flooding, poor drainage, septic tank back-ups, sewage hazards or mud slides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.
12. **Sanitary condition** - Performance requirement. The unit and its equipment shall be in sanitary condition.
 - **Acceptability criteria.** The units and its equipment shall be free of vermin and rodent infestation.
13. **Manufactured Home** - Performance requirement. A Manufactured Home unit, whether owner or renter occupied, shall comply with the foregoing standards. In addition. a Manufactured Home unit shall:
 - (a) Meet the definition of a Manufactured Home set forth in CFR 882.102, "A structure, with a permanent foundation, which is built on a permanent chassis, is designed for use as a principle place of residence, and meets the Housing Quality Standards;"
 - (b) Be equipped with at least one smoke detector in working condition; and
 - (c) Must be placed on the site in a stable manner and be free from hazards such as sliding or wind damage.
 - **Acceptability criteria.** A Manufactured Home must be securely anchored.
14. **Accessibility Improvements** - Performance requirement. A disabled person's

primary residence shall be reasonable accessible. The ability to enter and exit the house and to use the bathroom are given priority.

Accessibility Improvements may include such items as: the construction of ramps, installation of handrails and grab bars; replacement of bathtubs with wheel-in showers; lowering of items such as sinks, electrical switches, and cupboards; widening of doorways; and provision of bathroom and/or bedroom space on the first floor level of the dwelling.

An Access Information Form and sketches of the existing structure and proposed work if a major structural change or exterior work are involved, must be completed and submitted to the MHFA for review with the Loan Submission Package. No Accessibility Improvements may be funded without such prior approval from MHFA.

15. **Smoke detectors** - Performance requirement. Smoke detectors must be installed in all dwellings being improved with HOME Rehab funds, unless detectors are already in place. In one-story houses, at least one detector is required. In two-story houses, at least two detectors must be installed: one must be placed at the top of the second floor stairwell.

If the structure already has smoke detectors, information to that effect must be provided on the Inspection Report. If the Applicant is going to install the smoke detector, a statement signed by the Applicant indicating this must be included in the Loan Submission Package. MHFA recommends that all smoke detectors be hard wired.

16. Wood stoves and Furnaces

Wood-burning furnaces and wood-burning devices are eligible under the following conditions:

Simple replacement of a heating system is not permitted unless the inspection of the property shows that the present heating system is substandard.

If there is to be a replacement of an existing heat source, regardless of that system's fuel type, and that source is the primary heating system for the dwelling, installation of a wood-burning system may be considered. The primary system could be a series of space heaters or a complete furnace system.

It is strongly recommended that any wood-burning system that is considered for installation under the Rehabilitation Loan Programs be a combination system which will allow another fuel source to automatically take over should there be a failure of the wood-burning system to operate.

Any wood-burning system that is installed must be approved by Underwriters' Laboratories or must meet standards set by the International Conference of Building Officials (I.C.B.O.), the Building Official and Code Administrators of America (B.O.C.A.), or the Energy Testing Laboratory of Maine (E.T.L.). The contractor's bid must state that the system is so approved, and must specifically state the type of system and its heating capacity. A brochure which gives this information should be attached to the bid.

In addition to these requirements, Administering Entities are strongly encouraged to take into consideration such factors as the availability of a wood source and the ability of the homeowner to competently operate such a heating plant. A decision to allow the installation of such equipment under a Work Program Agreement should be carefully determined.

C. Ineligible Improvements

Ineligible improvements include but are not limited to the following:

Assessments

Loan funds may not be used for the payment, wholly or in part, of assessments for public improvements.

Refinancing

No Loan funds may be used to pay off any existing debts.